

National Aeronautics and
Space Administration
John H. Glenn Research Center
Lewis Field
Cleveland, OH 44135-3191



August 11, 2010

Reply to Attn of: CHB

MEMORANDUM FOR RECORD

FROM: CHB/Contracting Officer, Procurement Division

SUBJECT: Source Selection Statement (SSS) for Solicitation NNC10ZRH007R,
Communication and Avionics Installation on NASA GRC T-34 Aircraft

Procurement History

This procurement will establish a contract for communications and avionics installations on the NASA GRC T-34 aircraft using American Reinvestment and Recovery Act (ARRA) funds. The proposed contract will purchase the Base Effort, which includes the installation of an Autopilot system, with control capability from both front and aft cockpit and the removal of all unnecessary wiring harnesses, clamps and connectors, all documented appropriately. Two options were initially planned, but due to funding restraints NASA does not anticipate these options will be exercised on this proposed contract.

The solicitation for this procurement was issued through the NASA Acquisition Internet Service on 4/1/10. Market Research indicated that this procurement was suitable as a 100% Small Business Set-Aside, and so we created the solicitation to stipulate this requirement. The solicitation also stated the intent to award a contract without discussions, while reserving NASA the right to enter discussions if necessary. Initially, no companies showed any interest in attending the planned Industry Day. The Contract Specialist, in coordination with the COTR and other technical lead, then emailed over 70 viable avionics and related aircraft companies who might have interest in this procurement, detailing the solicitation for them in case they had not seen the original posting. This generated more interest, and a subsequent Industry Day was held on May 4th, 2010. Five companies participated, and this was an opportunity for companies to look at the aircraft, take pictures and ask questions, which were later answered in an online Q&A posting. During the solicitation phase, 4 amendments were issued.

3 Proposals were received on time on May 24th, 2010. The three proposals were submitted by the following organizations:

- 1) Chippewa Aerospace Inc. (CAI), teamed with Aerodynamics Inc. (ADI)
- 2) Spirit Avionics
- 3) Wysong Enterprises

Both CAI's and Wysong Enterprise's proposals were considered acceptable and were fully evaluated. Spirit Avionics was recorded in CCR and in ORCA as a large business, and was therefore barred from evaluation due to the 100% Small Business set-aside.

The evaluation team concluded its initial evaluation of the two acceptable proposals submitted on 6/4/10. Based on those initial findings, the Government decided to conduct discussions with CAI and to eliminate Wysong Enterprises from the competitive range. The Contract Specialist sent letters to the respective companies notifying them of the evaluation team's decision.

Upon receiving word of the exclusion due to the recorded large business size, Spirit Avionics quickly responded saying that there had been an error in the system and that they are in fact a small business under the procurement's NAICS code, 488190 Other Support Activities for Air Transportation. When CCR and ORCA were corrected, Spirit Avionics was correctly listed as a Small Business. The evaluation team then evaluated their proposal, and decided to keep them in the competitive range and enter discussions with both CAI and Spirit Avionics. CAI's initial proposal was rated very highly technically, but the cost was high. Spirit Avionics' technical proposal was rated relatively poorly (yet had positive past performance with NASA GRC) but was lower in price. The Government initiated discussions with both firms.

On June 25th and June 27th, the Contract Specialist sent letters to both CAI and Spirit Avionics, stating our questions to them along with all the weaknesses the evaluation team found. The Contract Specialist instructed that answers to our discussion questions and responses to weaknesses were due on July 6th at noon, and that Final Proposal Revisions (FPR's) were due on July 12th at noon. CAI submitted both their answers to questions/responses to weaknesses and their FPR on time and in the correct format. Spirit Avionics submitted their answers to questions/responses to weaknesses late (even after we had given them a 24 hour extension), and while their FPR was submitted on time, it was not sent in the required format of 1 original and 2 copies and was instead emailed. The Contract Specialist consulted with an attorney in the Office of Chief Consul, and he recommended to not accept Spirit Avionics' late submitted information because the Solicitation Instructions clearly advised offerors that any proposal, modification, or revision submitted after the exact time specified would be treated as "late".

The SSA concurred with the attorney's recommendation and decided that the evaluation team should evaluate CAI's proposal as planned, and only evaluate the FPR submitted by Spirit Avionics and not their late submitted answers to questions (which contained the majority of the information submitted to respond to discussion questions).

A technical review was completed for the two FPRs in accordance with section M of the subject solicitation. The details of these evaluations are summarized below.

Findings

Consistent with Section M of the RFP, the team evaluated the proposals in accordance with FAR 15.3 "Source Selection" and NASA FAR Supplement (NFS) 1815.3 "Source Selection." The Government intended to award a contract based on the initial offers received, without discussion of such offers. If necessary, discussions would be held only if award on the basis of

initial offers were determined not to be in the best interest of the Government. If written discussions were necessary, the Government would make a competitive range determination and conduct discussions with Offerors in the competitive range.

The evaluation plan was established and followed throughout the procurement.

The proposals were evaluated considering three factors: Past Performance, Technical Capability and Cost. Technical Capability consisted of Technical Approach and Personnel Qualifications. The following formula was used in evaluation, per the grading instructions set forth in Section M of the solicitation:

- Past Performance > (Technical Approach > Personnel Qualifications) > Cost / Price

This signifies that Past Performance is more important than Technical Capability (which consists of Technical Approach and Personnel Qualifications). Within Technical Capability, Technical Approach is slightly more important than Personnel Qualifications. Technical capability is significantly more important than cost.

As this procurement was expected to be under \$650,000 and a firm-fixed price effort, and the evaluation team felt that there would be adequate competition, no information other than cost or pricing data was required for submission of proposals.

All evaluation team members rated the proposals individually using these rating criteria. All findings were consolidated into one document and the following adjectival ratings and findings reflect the consensus of the evaluation team.

CAI

*A. Past Performance – Overall rating “**Very High**”*

CAI received three Significant Strengths related to previous installation of autopilots and receiving a Supplemental Type Certificate (STC), experience in installing EFIS, and experience in installing computer servers in aircraft. CAI also received 7 other Strengths.

CAI did not receive any Significant Weaknesses or Weaknesses.

*B. Technical Capability – Overall rating “**Very Good**”*

- a. Technical Approach – Very Good*
- b. Personnel Qualifications – Good*

Under Technical Approach, CAI received 2 Significant Strengths related to their proposed plan to receive FAA STC’s for their installation on the T-34, and for providing a well thought-out solution for Option 1 if Option 2 is not chosen. CAI also received 13 other Strengths.

Under Technical Approach, CAI did not receive any Significant Weaknesses or Weaknesses.

Under Personnel Qualifications, CAI did not receive any Significant Strengths. CAI received 6 Strengths that were related to an in-house engineering staff, and a competent staff with experience in civilian and military aircraft.

Under Personnel Qualifications, CAI received no Significant Weaknesses or Weaknesses.

- C. *Cost* – The evaluation team rated CAI’s cost and final price as reasonable for the work they proposed. The proposed cost for the base and options initially exceeded the Government estimate by a substantial amount. The revised cost submitted as part of the final proposal revisions exceeded the Government estimate by approximately 28% for the base effort, but was determined to be reasonable for the proposed technical approach.

Spirit Avionics

A. *Past Performance – Overall rating “Moderate”*

Spirit Avionics did not receive any Significant Strengths. Spirit Avionics received 5 Strengths that were related to previous government contract experience on a NASA GRC T-34 and positively rated customer feedback forms.

Spirit Avionics received one Deficiency related to a failure to submit past performance information. Spirit Avionics also received 3 weaknesses that were related to not providing enough detailed information on engineering documents or on relevant installations.

B. *Technical Capability – Overall rating “Poor”*

a. *Technical Approach – Fair*

b. *Personnel Qualifications – Poor*

Under Technical Approach, Spirit Avionics did not receive any Significant Strengths. Spirit Avionics received 3 Strengths that were related to working with STEC and providing a sound technical approach for Option 2.

Under Technical Approach, Spirit Avionics did not receive any Significant Weaknesses, but received 15 Weaknesses. These Weaknesses covered a variety of technically related areas such as: Providing an overall lack of engineering and technical detail for their technical description of installations, costs that appear unrealistic, lack of proposed timeframes/schedule, no mention of drawing formats, and not being fully responsive to all specifications in the SOW.

Under Personnel Qualifications, Spirit Avionics did not receive any Significant Strengths or Strengths.

Under Personnel Qualifications, Spirit Avionics received one Deficiency. Spirit Avionics did not did not provide any Personnel Qualifications as required by the Solicitation.

- C. *Cost* – Spirit Avionics’ proposed cost was below the Government estimate by a substantial degree and raised concerns regarding the probable understanding of engineering costs associated with the auto pilot installation.

Source Selection Decision

A source selection meeting was held on July 19, 2010. Present at the meeting were SEC members including the contracting officer and the COTR. At the meeting, the overall process and evaluation findings were presented and discussed.

Based on the information presented and discussions that followed, I fully understand the evaluation process and the findings of the SEC.

In the area of Past Performance, I note that CAI had an overall rating of a Very High Level of Confidence while Spirit was rated at a Moderate Level of Confidence. CAI and their teaming partner, Aerodynamics, Inc. had a number of strengths including several relative to past experience in installation of autopilot systems, work on government contracts, and previous work of a similar scope to the proposed effort. No weaknesses were identified for CAI in the area of Past Performance and Experience. Spirit also had strengths in this area including prior experience working on the NASA GRC T-34 and completion of projects of a similar size and scope. Spirit also had four weaknesses noted under Past Performance including no evidence of previous autopilot installations and no details on installations that were relevant particularly for engineering tasks associated with the base effort.

In the area of Technical Capability, CAI received an overall rating of Very Good with numerous strengths and no weaknesses in either of the sub-factors of Technical Approach and Personnel Qualifications. Spirit received an overall rating of Poor for Technical Capability but did receive a particularly relevant strength of having a lot of experience with the avionics in the T-34. However, Spirit had numerous weaknesses in both Technical Approach and Personnel Qualifications. Many of the weaknesses arose from failure to provide details or to address engineering requirements. No schedule was provided for proposed tasks or for the required project reviews.

Review of the proposed prices reveals that CAI’s final revised proposal is slightly more than twenty-five percent above the Government’s estimate for the base requirement and significantly above the estimate for the other options. The final price proposal from Spirit is less than the Government estimate and significantly less than CAI’s final offer.

The source selection methodology specified in the RFP for this requirement is a trade-off process used to select the offer that represents the best value to the Government. The RFP stated that if one company has better capability and higher cost/price, then a decision will be made whether the lower risk associated with the better capability is worth the higher cost/price. The RFP also stated that in order of importance, Past Performance is the most important factor, and Technical Capability is significantly more important than price.

In summary, the CAI proposal is clearly technically superior to the Spirit proposal, and CAI's Experience and Past Performance information provided merited a significantly higher level of confidence. However, Spirit's offer is significantly lower in price. I find the strengths of the CAI proposal to offer meaningful advantages in the areas of Technical Capability and Past Performance. I also find that although Spirit's price is significantly lower, the failure to address the required engineering effort and to provide meaningful time estimates for tasks increase the risk to the Government that this effort would not be completed on time. Because the aircraft will be removed from service while this contract effort is underway, any increased downtime will impact the Government's ability to complete vital research projects. I find that the CAI proposal offers significantly less risk to the Government when compared to the Spirit proposal. The superior Past Performance and the many technical strengths of the CAI proposal outweigh the cost advantage of the Spirit proposal in my judgment. Therefore, I hereby select CAI to perform the contract requirements as stated in the RFP.

Jeffrey Hoyt, Contract Specialist

Karin Huth, Contracting Officer / Source Selection Authority